

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 20230001-EI
ORDER NO. PSC-2023-0026-FOF-EI
ISSUED: January 6, 2023

The following Commissioners participated in the disposition of this matter:

ANDREW GILES FAY, Chairman
ART GRAHAM
GARY F. CLARK
MIKE LA ROSA
GABRIELLA PASSIDOMO

FINAL ORDER APPROVING EXPENDITURES AND TRUE-UP AMOUNTS FOR FUEL
ADJUSTMENT FACTORS; GPIF TARGETS, RANGES, AND REWARDS; AND
PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS FOR CAPACITY COST
RECOVERY FACTORS

APPEARANCES:

MATTHEW BERNIER and STEPHANIE CUELLO, ESQUIRES, 106 East
College Avenue, Tallahassee, Florida 32301-7740; and DIANNE M. TRIPLETT,
ESQUIRE, 299 First Avenue North, St. Petersburg, Florida 33701
On behalf of Duke Energy Florida, LLC (DEF).

MARIA JOSE MONCADA and DAVID M. LEE, ESQUIRES, Florida Power &
Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408-0420
On behalf of Florida Power & Light Company (FPL).

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South
Monroe St., Suite 601, Tallahassee, Florida 32301
On behalf of Florida Public Utilities Company (FPUC).

MALCOLM N. MEANS, and J. JEFFRY WAHLEN, and VIRGINIA PONDER,
ESQUIRES, Ausley McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

RICHARD GENTRY, PUBLIC COUNSEL; CHARLES REHWINKEL,
DEPUTY PUBLIC COUNSEL; PATRICIA A. CHRISTENSEN, and MARY
WESSLING, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature,
111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC).

JON C. MOYLE, JR. and KAREN A. PUTNAL, ESQUIRES, Moyle Law Firm, PA, The Perkins House, 118 North Gadsden Street, Tallahassee, Florida 32301
On behalf of the Florida Industrial Power Users Group (FIPUG).

ROBERT SCHEFFEL WRIGHT, JOHN T. LAVIA, III, and TIMOTHY H. PERRY, ESQUIRES, Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, PA, 1300 Thomaswood Drive, Tallahassee, Florida 32308
On behalf of the Florida Retail Federation (FRF).

JAMES W. BREW and LAURA WYNN BAKER, ESQUIRES, Stone, Mattheis, Xenopoulos & Brew, PC, 1025 Thomas Jefferson St., NW, Eighth Floor, West Tower, Washington, DC 20007
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate).

PETER J. MATTHEIS, MICHAEL K. LAVANGA and JOSEPH R. BRISCAR, ESQUIRES, Stone, Mattheis, Xenopoulos & Brew, PC, 1025 Thomas Jefferson St., NW, Eighth Floor, West Tower, Washington, DC 20007
On behalf of Nucor Steel Florida, Inc. (Nucor).

SUZANNE BROWNLESS and RYAN SANDY, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel.

BY THE COMMISSION

As part of the continuing fuel and purchased power adjustment and generating performance incentive clause proceedings, an administrative hearing was held on November 17-18, 2022, and December 6, 2022, in this docket. We have jurisdiction over this subject matter pursuant to the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

At the hearing we approved Type 2 stipulations, contained on Attachment A, for all identified issues with the exception of Issue 3A (affecting only FPUC) and Issues 8-10, 16, 18 and 20 (affecting only DEF, FPL and TECO). Exhibits 1-77 and 79-82 were admitted into evidence. The testimony of Gary P. Dean on behalf of Duke Energy Florida, LLC (DEF);

Gerard J. Yupp and Scott Bores on behalf of Florida Power & Light Company (FPL), and Penelope A. Rusk on behalf of Tampa Electric Company (TECO) was heard and the witnesses were cross-examined. The parties waived the filing of post-hearing briefs and DEF, FPL, Florida Public Utilities Company (FPUC), TECO, Office of Public Counsel (OPC), Florida Industrial Power Users (FIPUG), and Florida Retail Federation (FRF) presented post-hearing oral argument after which a bench vote was taken.

I. Motion for Reconsideration

OPC raised two issues for the first time at the Prehearing Conference: “What is the appropriate carrying cost, if any, for the 2022 under-recovery amount voluntarily deferred for recovery, for the duration of the voluntary deferral period?” (Issue A); and: “Over what period should 2022 under-recoveries be collected and at what carrying cost?” (Issue B). At the Prehearing Conference, OPC asked for inclusion of these issues on the grounds that DEF, FPL and TECO (referred to herein as “Utilities”) should not be allowed to defer the recovery of their substantial fuel cost under-recoveries for 2022.

OPC argued that since it was the Utilities’ unilateral decision to defer recovering the 2022 fuel costs, the Utilities, not their customers, should pay the carrying costs associated with deferral of cost recovery until some later date. Additionally, OPC, FIPUG, and FRF, argued that customers were entitled to know the impact of the large 2022 under-recovery now so that they could make informed business decisions for the coming year. Knowing the time period over which the 2022 under-recovery would be recovered substantially affects the amounts recovered each month.

Unlike the Utilities, FPUC requested recovery of its 2022 fuel under-recovery in the amount of \$15,143,447 which we approved as a Type 2 stipulation of Issue No. 8. FPUC did not take a position on whether Issues A and B should be included.

The Utilities argued that the 2022 natural gas market was so volatile that 2022 natural gas prices could still not be accurately predicted and that it was better to wait and use actual costs to determine the amount to be recovered, the carrying costs to be applied, and the time period over which to recover those costs. The Prehearing Officer agreed with the Utilities and deferred these issues until at least the first quarter of 2023 when DEF, FPL, and TECO intend to file for the recovery of their under-recovered 2022 fuel costs.¹

In its *ore tenus* motion for reconsideration made at the commencement of the final hearing, OPC reiterated the arguments it made at the Prehearing Conference but added additional argument. For the first time, OPC contended that excluding these issues would violate Sections 120.569(1) and 120.57(1)(b), F.S., by denying the parties an “opportunity to raise and contest all disputed issues of material fact.” OPC argued that the excluded disputed issues of fact for DEF, FPL, and TECO involved the time period over which the substantial fuel cost under-recoveries would be recovered and the carrying cost applied to that period. OPC also raised the point that the Utilities acted inconsistently with established Commission policy and practice on how fuel costs are litigated and collected by not identifying and seeking recovery for 2022 fuel cost under-recoveries in this docket.

¹ Order No. PSC-2022-0390-PHO-EI, issued November 14, 2022, in Docket No. 20220001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor*, at page 60.

The standard of review for a motion for reconsideration is whether the motion identifies a point of fact or law which we overlooked or failed to consider in rendering our order. *Stewart Bonded Warehouse, Inc. v. Bevis*, 294 So. 2d 315 (Fla. 1974); *Diamond Cab Co. v. King*, 146 So. 2d 889 (Fla. 1962); *Pingree v. Quaintance*, 394 So. 2d 161 (Fla. 1st DCA 1981). The purpose of reconsideration is to bring to our attention a specific point that, had we considered it when it was presented in the first instance, would have required a different decision. *State ex. rel. Jaytex Realty Co. v. Green*, 105 So. 2d 817, 819 (Fla. 1st DCA 1958) (Wigginton, J., concurring); *Sherwood v. State*, 111 So. 2d 96 (Fla. 3rd DCA 1959). Our decision to grant a motion for reconsideration must be based on specific factual matters rather than an arbitrary feeling that we may have made a mistake. *Stewart Bonded Warehouse, Inc.*, 294 So. 2d at 317 (overturning a Commission order on reconsideration because the Commission's basis for granting reconsideration was to reweigh the evidence, which was "not sufficient").

The arguments presented to us at the final hearing for the most part echoed what was presented to the Prehearing Officer on behalf of OPC, FIPUG, FRF, and the Utilities. These arguments were fully considered by the Prehearing Officer in reaching his decision that Issues A and B were relevant to the ultimate cost recovery of 2022 under-recovered fuel charges but should be deferred until a request for recovery of those costs was made by the Utilities. Neither OPC, FIPUG, nor FRF presented the violation of due process or violation of established Commission policy arguments to the Prehearing Officer. Both of these arguments could have been raised initially but were not. It is not an abuse of discretion to deny a motion for reconsideration or rehearing which raises an issue that could have been, but was not, raised in the initial motion or at the initial hearing.² For these reasons, we affirm the Prehearing Officer's decision and deny OPC's motion for reconsideration.

II. Fuel cost factors

A. DEF

DEF has requested that it be allowed to collect a \$175,789,361 under-recovery as its total fuel adjustment true-up amount to be collected from January 2023 through December 2023. This amount is comprised of \$123,418,788 from the Rate Mitigation Plan approved in Order No. PSC-2021-4025-FOF-EI³ and \$52,370,573 of the midcourse correction amount of \$314,223,437 approved in Order No. PSC-2022-0061-PCO-EI.⁴ As of July 31, 2022, the fuel adjustment actual/estimated true-up amount for the period January 2022 through December 2022 is an under-recovery of \$1,308,956,670. DEF is not requesting recovery of the net 2022 actual/estimated amount at this time. Based on the deferral of setting final under-recovered 2022 fuel costs to next year, DEF's has requested recovery of a projected total fuel and purchased power cost recovery amount for the period January 2023 through December 2023 of \$2,266,708,676. Using these amounts, DEF is requesting a projected net fuel and purchased power cost recovery and Generating Performance Incentive amount of \$2,473,648,033 for the period January 2023 through December 2023.

² *Chris Thompson, P.A. v. GEICO Indemnity Company*, 349 So. 3d 447, 448-9 (Fla. 4th DCA 2022).

³ Order No. PSC-2021-0425-FOF-EI, issued on November 16, 2021, in Docket No. 20210158-EI, *In re: Limited proceeding to consider Duke Energy Florida, LLC's unopposed motion to approve rate mitigation agreement*.

⁴ Order No. PSC-0061-PCO-EI, issued on February 17, 2022, in Docket No. 20220001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor*.

B. FPL

FPL has requested that it be allowed a \$10,256,384 over-recovery for its total 2021 fuel adjustment true-up to be refunded from January 2023 through December 2023. As of July 31, 2022, the fuel adjustment actual/estimated true-up amount for the period January 2022 through December 2022 is an under-recovery of \$1,658,287,443. FPL is not requesting recovery of this amount at this time. Based on the deferral of setting final under-recovered 2022 fuel costs to next year, FPL has requested recovery of a projected total fuel and purchased power cost recovery amount for the period January 2023 through December 2023 of \$4,853,323,306. Using these amounts, FPL is requesting a projected net fuel and purchased power cost recovery and Generating Performance Incentive amount of \$5,006,260,583 for the period January 2023 through December 2023.

C. FPUC

FPUC has requested that it be allowed to collect under-recovered true-up fuel costs of \$6,047,784 for 2021 and \$15,143,447 for a total of \$21,191,231 to be recovered over a 3-year period at \$7,063,744 per year beginning in January 2023. Recovery over an extended period of time has been requested due to the large rate impact of FPUC's customers if recovery is spread out over a shorter period. We have approved these amounts as Type 2 stipulations found in Attachment A.

FPUC has also requested that it be allowed to charge its parent's projected short-term debt rate, rather than the 30-day non-financial commercial paper rate normally charged on the deferred 2022 fuel cost balance. If during the three-year recovery period, the 30-day non-financial commercial paper rate exceeds the parent's short-term debt rate, FPUC would revert to calculating interest on the deferred 2022 fuel cost balance at the 30-day non-financial commercial paper rate. FPUC argues that it does not have access to the 30-day non-financial commercial paper rate and all of its debt is financed by its parent. Thus, FPUC argues that not applying its parent's short term debt rate would result in non-recovery of FPUC's actual cost of debt on the outstanding deferred balance. The appropriate carrying cost for 2022 deferred cost balances (Issue 3A) has not been resolved by stipulation.

D. TECO

TECO has requested that it be allowed zero dollars for its total fuel 2021 adjustment true-up applicable to the period January 2023 through December 2023. As of July 31, 2022, the fuel adjustment actual/estimated true-up amount for the period January 2022 through December 2022 is an under-recovery of \$411,964,625. TECO is not requesting recovery of this amount at this time. Based on the deferral of setting final under-recovered 2022 fuel costs to next year, TECO has requested recovery of a projected total fuel and purchased power cost recovery amount for the period January 2023 through December 2023 of \$956,732,804. Using these amounts, TECO is requesting a projected net fuel and purchased power cost recovery and Generating Performance Incentive amount of \$962,791,158 for the period January 2023 through December 2023.

III. 2022 under-recoveries

A. Company positions

In this proceeding, FPUC has included its projected 2022 under-recovery in its 2023 fuel factor. We have approved FPUC's calculations of its fuel adjustment actual/estimated true-up amounts for January 2022 through December 2022 of \$15,143,447 under-recovery and total fuel adjustment true-up amount applicable to the period January 2023 through December 2023 of \$7,063,744 under-recovery by our approval of Type 2 stipulations found in Attachment A. The only non-stipulated issue for FPUC is the treatment of carrying costs to be applied to its deferred 2022 fuel cost balance discussed above.

In this proceeding, the FPL, DEF, and TECO have identified their 2022 fuel costs as required by the Order Establishing Procedure (OEP)⁵ but have chosen not to request recovery of those costs in their 2023 factors. The rationale for this action is that the extreme volatility of the natural gas market in 2022 has made a reliable projection of final 2022 costs "not practical" and deferral of cost recovery for those costs compliant with the provisions of Rule 25-6.0424(2), F.A.C.

DEF Witness Dean testified that comparing January 2022 natural gas prices to June, July, and August 2022 prices, there was an increase of 134 percent, 44 percent, and 139 percent, respectively. FPL Witness Yupp testified natural gas volatility in 2022 was affected by multiple unpredictable events that happened on a real time basis: the war in Ukraine, an extremely hot summer period with limited switching capability to coal, an explosion at a liquefied natural gas (LNG) facility, and increased United States LNG exports. Witness Yupp also testified that these events should now be taken into account and reflected in the NYMEX forward curve used to forecast 2023 natural gas prices. Further, Witness Yupp testified that the natural gas commodity price in the later part of 2022 had been a lot more stable than in the earlier months of 2022.

FPL Witness Bores agreed with Witnesses Yupp and Dean that the market in 2022 had been highly volatile, noting that during the month of July 2022 NYMEX settlement prices ranged from below \$5.72 to a high of \$9.46 per Million British thermal units (MMBtu). FPL's customers would have had five midcourse corrections had FPL requested a rate increase every time costs exceeded the 10 percent variance threshold in 2022. Given record inflation, higher food prices and higher interest rates, Witness Bores testified that FPL concluded it was better for customers to have just one accurate rate change in 2023 to recover 2022 fuel costs, rather than several sequential, rate changes in 2022, to do so.

TECO Witness Rusk agreed that the natural gas market had been extremely volatile in 2022. Witness Rusk testified that TECO filed a midcourse correction in early 2022 which took effect April 1. On April 1, even using the new rates, TECO calculated that it would exceed the 10 percent threshold again based on natural gas prices at the end of March. TECO's 10 percent threshold was exceeded again as reflected in its July 27 actual/estimated filing and then yet again by more than 50 percent in the next few weeks. TECO's strategy was to hold off filing for a midcourse correction to see if the market would decline throughout the rest of 2022 which would result in a smaller under-recovery amount being passed on to ratepayers. Witness Rusk testified

⁵ Order No. PSC-2022-0052-PCO-EI, issued February 7, 2022, in Docket No. 20220001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor*.

that natural gas prices have declined slightly in the last few months supporting TECO's strategy to wait until the end of the year to request recovery of fuel costs.

TECO estimates that it will under-recover somewhere around \$550 million by the end of the year. As of October 31 TECO is under-recovered \$470 million, less than the approximately \$600 million projected on September 2. The monthly residential bill impact for a recovery of \$550 million is estimated to be a \$20 bill increase for 1,000 kilowatt hours (kWh) usage if recovered over a 12 month period and \$13 increase if recovered over an 18-month period. For commercial and industrial customers, whose bills vary widely depending on class of customer, usage, and load patterns, recovery over a 12-month period would result in an increase in the bill of 13 to 25 percent, recovery over 18 months would reduce the bill increase from 8 to 15 percent, and recovery over a 21-month period would reduce the bill increase from 6 to 12 percent. The total bill for residential customers for 1,000 kWh usage would be approximately \$167/month for a 12-month recovery period and \$160/month for an 18-month recovery period. FPL Witness Bores testified that its 2022 under-recovery at the end of September was approximately \$2 billion. DEF calculated its 2022 under-recovery at the end of September to be approximately \$1.159 billion.

B. OPC, FIPUG, and FRF positions

OPC, FRF, and FIPUG have questioned the Utilities' decisions to wait to recover 2022 fuel cost under-recoveries when each filed Rule 25-6.0424 (2), Florida Administrative Code (F.A.C.) midcourse correction letters in the first quarter of 2022 stating that their fuel cost recovery was under-recovered by 10 percent or greater.⁶ Characterizing these decisions to wait as creating a "voluntary deferral period," OPC, FRF and FIPUG argue that the Utilities should not recover any carrying costs for the 2022 under-recoveries from July 1, 2022 until the date the under-recoveries begin to be collected from customers, e.g, April 1, 2023. After that date, OPC, FIPUG and FRF would apply the commercial paper rate on the unrecovered balance.

OPC also argues that there should be extended recovery periods for the under-recoveries, e.g., 12, 16, or 18 months. OPC further contends that failure to request recovery for 2022 under-recoveries violates Commission fuel cost recovery clause policy as stated in Rule 25-6.0424, F.A.C., and Section 120.68(7)(e)(3), F.S. Finally, OPC contends that the Utilities' assertion that OPC, FRF, or FIPUG should have requested that DEF, FPL, and TECO file requests for midcourse corrections in early 2022 is "audacious." This is because the filing of a midcourse correction letter, according to OPC, does not give parties a point of entry to request anything. The burden to comply with Rule 25-6.0424, F.A.C., and Section 120.68(7)(e)(3), F.S., lies with the Utilities, not the customers.

Additionally, FRF argues that at least some portion of DEF's, FPL's and TECO's identified under-recoveries, perhaps 25 percent of under-recoveries identified in their July 27 filings, should be recovered in the 2023 fuel cost recovery factor beginning January 1, 2023. If this were done, FRF argues that the total cost to ratepayers would be decreased due to lower total carrying costs. Additionally, if this were done, the rate impact would be decreased as the under-recovery would be spread over a longer period of time. FRF also argues that allowing the

⁶ DEF – Letter dated March 29, 2022, Document No. 021134-2022; FPL – Letter dated April 15, 2022, Document No. 02477-2022; TECO – Letter dated April 21, 2022, Document No. 02571-2022.

Utilities to wait until the first quarter of 2023 to request and implement recovery of 2022 under-recoveries violates the matching principle and results in rates that are not fair, just, and reasonable.

Finally, FIPUG argues that the entire purpose of the fuel clause is to decrease the regulatory lag between the time fuel is purchased and Utilities are paid. Doing this implements the “matching principle”: the customers that use the electricity are the customers who pay for that electricity. Operation of the fuel clause as has historically been done, FIPUG argues, gives customers both transparency and timeliness with respect to what future costs are going to be. FIPUG does not accept the Utilities’ contention that 2022 was an exceptionally volatile year for natural gas prices arguing that there will always be unexpected events that will impact the natural gas market.

Decision

The Order Establishing Procedure (OEP)⁷ sets forth the filing dates for testimony in this docket and the type of testimony to be filed. The Utilities’ filings can be roughly divided into three parts: final true-up testimony and exhibits for 2021 due April 1, 2022; actual/estimated true-up testimony and exhibits for 2022 due July 27, 2022; and projection testimony and exhibits for 2023 due September 2, 2022.⁸ These filings reflect the basic regulatory scheme of the docket. First, true-up the fuel costs from the last year, here 2021, using the actual costs for 2021. Second, get final numbers for January through June of the current year, here 2022, and updated projections for the remainder of the current year, July through December. Third, make projections for the next year, here 2023. This regulatory scheme is designed to allow the Utilities to recover their incurred fuel costs and adjust their projected fuel costs in a systematic and prompt manner.

In addition to the yearly adjustment of fuel clause factors, Rule 25-6.0424(2), F.A.C., allows for mid-course corrections should fuel costs actually exceed projected fuel costs by 10 percent. Rule 25-6.0424(2), F.A.C., states as follows:

(2) In the event that the absolute value of the over-recovery or under-recovery either for fuel cost recovery or capacity cost recovery is 10 percent or greater, the utility shall promptly notify the Commission by letter delivered to the Commission Clerk. The notification of a 10 percent or greater estimated over-recovery or under-recovery *shall include a petition for mid-course correction* to the fuel cost recovery or capacity cost recovery factors, *or shall include an explanation of why a mid-course correction is not practical*. This section in no way precludes a utility from requested a mid-course correction prior to reaching the 10 percent threshold requiring Commission notification.

(Emphasis added.)

Each of the Utilities filed 10 percent under-recovery letters with this Commission: DEF on March 29, 2022; FPL on April 15, 2022; and TECO on April 21, 2022. In each of these

⁷Order No. PSC-2022-0052-PCO-EI, issued February 7, 2022, in Docket No. 20220001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor*.

⁸ *Id.* at pp. 10-11.

letters, the respective utility stated that their latest projection of fuel costs for the period ending December 31, 2022, would be exceeded by 10 percent. None of the Utilities filed a petition for mid-course correction at that time. Each of the Utilities stated that a mid-course correction was not “practical” because the high volatility of the natural gas market made reliable predictions of natural gas prices impossible. All stated that continuing to monitor the natural gas market to determine if natural gas price forecasts would moderate, decreasing the amount of under-recoveries passed on to customers, was the practical thing to do. Having given an explanation of why each utility did not file a petition for mid-course correction, the Utilities argue that they have complied with Rule 25-6.0424, F.A.C.

Section 120.68(7)(e)(3), F.S., states as follows:

(7) The court shall remand a case to the agency for further proceedings consistent with the court’s decision or set aside agency action, as appropriate, when it finds that:

...

(e) The agency’s exercise of discretion was:

...

3. *Inconsistent with* officially stated agency policy or a *prior agency practice, if deviation therefrom is not explained by the agency.*

(Emphasis added.)

With regard to compliance with the requirements of Section 120.68(7)(e)(3), F.S., OPC, FRF, and FIPUG argue that highly volatile natural gas market in 2022 is simply not sufficient to support a deviation from long established policy for computing fuel cost recovery factors. The Utilities say it is sufficient.

OPC’s, FRF, and FIPUG’s arguments that Rule 25-6.0424(2), F.A.C., and Section 120.68(7)(e)(3), F.S., are violated is based on the Utilities’ failure to include actual and projected 2022 fuel costs in the calculation of the 2023 cost recovery factors. In its simplest formulation, these parties argue that market volatility, no matter how extreme, is not enough to deviate from standard practice. We disagree. The plain language of both Rule 25-6.0424(2), F.A.C., and Section 120.68(7)(e)(3), F.S., allows exceptions to be recognized.

Here there is extensive evidence in the record from each of the Utilities of the unique circumstances affecting natural gas markets in 2022: very large swings in prices in July from \$5.72 to \$9.46 per MMBtu; war in Ukraine which resulted in increased LNG exports to European countries; limited ability to switch to coal-fired generation due to coal plant retirements, transportation constraints, and below-average plant stockpiles; and higher than normal temperatures causing increased demand for electricity. Additionally, the Utilities’ customers have been subjected in 2022 to record-high inflation, higher food prices, and higher interest rates. Using actual fuel expense amounts eliminates the risk of charging already burdened ratepayers too much. For these reasons we find that the exclusion of 2022 fuel costs from the Utilities’ proposed 2023 cost recovery factors to be reasonable and approve leveled fuel cost recovery factors for the period January 2023 through December 2023 of 6.257 cents per kWh, 4.036 cents per kWh, and 4.825 cents per kWh for DEF, FPL, and TECO, respectively.

We have heard the concerns of OPC, FRF, and FIPUG that time is of the essence in determining the fuel costs that will be passed along to ratepayers both because customers need to know fuel costs to plan their business activities and to limit the carrying costs imposed on the deferred 2022 fuel cost balance. Each of the Utilities has testified that they will be able to file a petition for mid-course correction using actual year end 2022 fuel cost amounts by mid-January 2023. Based on these representations, we will require DEF, FPL and TECO to file their petitions for mid-course corrections on or before Monday, January 23, 2023.

IV. Levelized fuel cost recovery factors

The levelized fuel cost recovery factors requested by DEF, FPL, and TECO for the period January 2023 through December 2023 are 6.257, 4.036, and 4.825 cents per kWh, respectively. Based on our decision with regard to the recovery of 2022 fuel costs, we hereby approve these factors.

V. Fuel cost recovery factor for each rate class/delivery voltage level class

The appropriate fuel cost recovery factors for each rate class/delivery voltage level adjusted for line losses requested by DEF, FPL, and TECO are stated below. Based on our decision with regard to the recovery of 2022 fuel costs, we hereby approve these factors.

DEF:

Fuel Cost Factors (cents/kWh)							
Group	Delivery Voltage Level	First Tier Factor	Second Tier Factors	Levelized Factors	Time of Use		
					On-Peak	Off-Peak	Super Off-Peak
A	Transmission	--	--	6.141	7.541	6.178	4.581
B	Distribution Primary	--	--	6.203	7.617	6.240	4.627
C	Distribution Secondary	5.961	7.031	6.266	7.695	6.304	4.674
D	Lighting Secondary	--	--	5.865	--		--

FPL:

GROUPS	RATE SCHEDULE	Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	4.036	1.00283	3.745
A	RS-1 all additional kWh	4.036	1.00283	4.745
A	GS-1, SL-2, SL-2M, GSCU-1	4.036	1.00283	4.047
A-1	SL-1, SL-1M, OL-1, PL-1 (1), LT-1, OS VII ⁽¹⁾	3.972	1.00283	3.983
B	GSD-1, GSD-1EV	4.036	1.00276	4.047
C	GSLD-1, GSLD-1EV, CS-1	4.036	1.00168	4.043
D	GSLD-2, CS-2, OS-2, MET	4.036	0.99393	4.012
E	GSLD-3, CS-3	4.036	0.97235	3.924
A	GST-1 On-Peak	4.355	1.00283	4.367
A	GST-1 Off-Peak	3.899	1.00283	3.910
A	RTR-1 On-Peak			0.320
A	RTR-1 Off-Peak			(0.137)
B	GSDT-1, CILC-1(G), SST-1D(1), HLFT-1 On-Peak	4.355	1.00276	4.367
B	GSDT-1, CILC-1(G), SST-1D(1), HLFT-1 Off-Peak	3.899	1.00276	3.910
C	GSLDT-1, CST-1, SST-1D(2), HLFT-2 On-Peak	4.355	1.00168	4.362
C	GSLDT-1, CST-1, SST-1D(2), HLFT-2 Off-Peak	3.899	1.00168	3.906
D	GSLDT-2, CST-2, SST-1D(3), HLFT-3 On-Peak	4.355	0.99420	4.330
D	GSLDT-2, CST-2, SST-1D(3), HLFT-3 Off-Peak	3.899	0.99420	3.876
E	GSLDT-3, CST-3, CILC-1(T), SST-1(T), ISST-1(T) On-Peak	4.355	0.97235	4.235
E	GSLDT-3, CST-3, CILC-1(T), SST-1(T), ISST-1(T) Off-Peak	3.899	0.97235	3.791
F	CILC-1(D), ISST-1(D) On-Peak	4.355	0.99448	4.331
F	CILC-1(D), ISST-1(D) Off-Peak	3.899	0.99448	3.877

⁽¹⁾Weighted average 16% on-peak and 84% off-peak

GROUPS	RATE SCHEDULE	Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	5.368	1.00276	5.383
B	GSD(T)-1 Off-Peak	3.866	1.00276	3.877
C	GSLD(T)-1 On-Peak	5.368	1.00168	5.377
C	GSLD(T)-1 Off-Peak	3.866	1.00168	3.873
D	GSLD(T)-2 On-Peak	5.368	0.99420	5.337
D	GSLD(T)-2 Off-Peak	3.866	0.99420	3.844

TECO: The appropriate factors are as follows:

<u>Metering Voltage Level</u>	<u>Fuel Charge Factor (cents per kWh)</u>
Secondary	4.832
RS Tier I (Up to 1,000 kWh)	4.525
RS Tier II (Over 1,000 kWh)	5.525
Distribution Primary	4.784
Transmission	4.735
Lighting Service	4.767
Distribution Secondary	5.179 (on-peak)
	4.683 (off-peak)
Distribution Primary	5.127 (on-peak)
	4.636 (off-peak)
Transmission	5.075 (on-peak)
	4.589 (off-peak)

Per the stipulation of the parties, the new factors approved herein shall be effective with the first billing cycle for January 2023 through the last billing cycle for December 2023. The first billing cycle may start before January 1, 2023, and the last cycle may be read after December 31, 2023, so that each customer is billed for twelve months regardless of when the recovery factors became effective. The new factors shall continue in effect until modified by this Commission.

We hereby approve revised tariffs for DEF, FPL, FPUC, and TECO reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding. We direct our staff to verify that the revised tariffs are consistent with our decision.

Finally, we find that FPUC did not provide sufficient support for deviating from our long-standing policy of applying the 30-day non-financial commercial paper rate to deferred fuel cost balances and deny its request to do so.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the findings set forth in the body of this order, and Attachment A hereto, are hereby approved. It is further

ORDERED that the Office of Public Counsel's motion for reconsideration is denied. It is further

ORDERED that Duke Energy Florida, LLC, Florida Power & Light Company, Florida Public Utilities Company, and Tampa Electric Company are hereby authorized to apply the fuel cost recovery factors set forth herein during the period January 2023 through December 2023. It is further

ORDERED that the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that Duke Energy Florida, LLC, Florida Power & Light Company, Florida Public Utilities Company, and Tampa Electric Company are hereby authorized to apply the capacity cost recovery factors set forth herein during the period January 2023 through December 2023. It is further

ORDERED that the estimated true-up amounts contained in the capacity cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

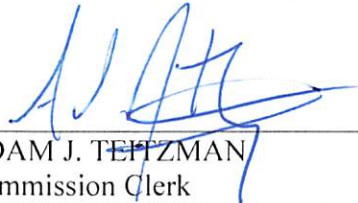
ORDERED that the revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding are hereby approved and we direct Commission staff to verify that the revised tariffs are consistent with our decision. It is further

ORDERED that Duke Energy Florida, LLC, Florida Power & Light Company and Tampa Electric Company shall file their petitions for mid-course corrections using actual year end 2022 fuel cost amounts on or before Monday, January 23, 2023. It is further

ORDERED that Florida Public Utilities Company shall apply the 30-day non-financial commercial paper rate to deferred fuel cost balances. It is further

ORDERED that while the Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor docket is assigned a separate docket number each year for administrative convenience, it is a continuing docket and shall remain open.

By ORDER of the Florida Public Service Commission this 6th day of January, 2023.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 20220001-EI
ORDER NO.
ISSUED:

PROPOSED STIPULATIONS

The following issues are proposed as Type 2⁹ stipulations in this proceeding¹⁰:

I. FUEL ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve DEF's 2023 Risk Management Plan?

Stipulation: Yes, but the parties agree that DEF will not enter into financial hedges for 2023 fuel burns. If DEF intends to restart its hedging program, it will subsequently seek and obtain Commission approval.

ISSUE 1B: What is the appropriate subscription bill credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2023?

Stipulation: \$31,356,459.

ISSUE 1C: Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the January 2021 to April 2021 outage in Bartow CC Unit 4A and/or the May 2021 to July 2021 outage in Bartow CC Unit 4C? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

Stipulation: No adjustments are needed.

⁹ A Type 2 stipulation occurs on an issue when the utility and staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties (including staff if they do not join in the agreement) do not object to the Commission relying on the agreed language to resolve that issue in a final order.

¹⁰ The OPC position and the FRF position on each Type 2 stipulation stated herein is as follows:

OPC and FRF take no position on these issues nor do they have the burden of proof related to them. As such, the OPC and FRF represent that they will not contest or oppose the Commission taking action approving a proposed stipulation between the Company and another party or staff as a final resolution of these issues. No person is authorized to state that the OPC or FRF is a participant in, or party to, a stipulation on these issues, either in this docket, in an order of the Commission or in a representation to a Court.

ISSUE 1D: What is the impact on this docket, if a decision is issued in Case SC20-1601 before January 1, 2023?

Stipulation: There is no impact. DEF has already recovered the costs and received a stay on the refund.

ISSUE 1E: What is the impact on this docket, if a decision is issued in Case SC22-94 before January 1, 2023?

Stipulation: Currently there is no impact as this case is still pending before the Florida Supreme Court.

ISSUE 1F: If the decision in Case SC22-94 requires the return of replacement power costs to customers, what interest amount should be applied?

Stipulation: This issue is not ripe for a decision at this time.

ISSUE 1G: Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the March 2022 outage at Hines Unit 4? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

Stipulation: No adjustments are needed.

Florida Power & Light Company

ISSUE 2A: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2021 through December 2021, and how should that gain to be shared between FPL and customers?

Stipulation: The total gain is \$63,092,506 with \$49,237,003 given to customers and \$13,855,504 given to the Company.

ISSUE 2B: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2021 through December 2021?

Stipulation: \$495,972.

ISSUE 2C: What is the appropriate amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2021 through December 2021?

Stipulation: \$2,103,997.

ISSUE 2D: What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2021 through December 2021?

Stipulation: \$256,452.

ISSUE 2E: What is the appropriate subscription credit associated with FPL's SolarTogether Program approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2023?

Stipulation: \$143,020,130.

ISSUE 2F: Should the Commission approve FPL's 2023 Risk Management Plan?

Stipulation: Yes.

Tampa Electric Company

ISSUE 4A: What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2017-0456-S-EI that TECO may recover for the period January 2021 through December 2021, and how should that gain to be shared between TECO and customers?

Stipulation: The optimization gains for 2021 were \$13,439,732. Customer benefits were \$8,619,866 and Company benefits were \$4,819,866.

ISSUE 4B: Should the Commission approve TECO's 2023 Risk Management Plan?

Stipulation: Yes.

ISSUE 4C: Has TECO made the appropriate adjustments, if any are needed, to account for replacement power costs associated with ay outages that occurred during 2021 and 2022? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

Stipulation: The appropriate adjustment is a reduction of \$104,000.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate actual benchmark levels for calendar year 2022 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

Stipulation:

DEF: \$1,909,411.

FPL: N/A

TECO: N/A

ISSUE 6: What are the appropriate estimated benchmark levels for calendar year 2023 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

Stipulation:

DEF: \$2,379,586.

FPL: N/A

TECO: N/A

ISSUE 7: What are the appropriate final fuel adjustment true-up amounts for the period January 2021 through December 2021?

Stipulation:

DEF: An over-recovery of \$2,934,170.

FPL: An over-recovery of \$10,256,384.

FPUC: An under-recovery of \$3,790,314 which was the amount included for recovery through FPUC's mid-course correction.

GULF: An over-recovery of \$21,938,913.

TECO: \$0.

ISSUE 8: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2022 through December 2022?

Stipulation:

FPUC: An under-recovery of \$15,143,447.

ISSUE 9: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2023 through December 2023?

Stipulation:

FPUC: An under-recovery of \$7,063,744.

ISSUE 10: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2023 through December 2023?

Stipulation:

FPUC: \$68,427,727.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC.

No company-specific GPIF issues for Duke Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 11A, 11B, 11C, and so forth, as appropriate.

Florida Power & Light Company

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

Gulf Power Company

Any company-specific capacity issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

Tampa Electric Company

No company-specific GPIF issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

GENERIC GPIF ISSUES

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2021 through December 2021 for each investor-owned electric utility subject to the GPIF?

Stipulation:

DEF: A penalty of \$206,463.

FPL: A reward of \$6,994,619.

TECO: A reward of \$546,170.

ISSUE 15: What should the GPIF targets/ranges be for the period January 2023 through December 2023 for each investor-owned electric utility subject to the GPIF?

Stipulation:

DEF:

**Table 15-1
GPIF Targets/Ranges for the period January-December, 2023**

	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR Btu/kWh	ANOHR Btu/kWh	Savings (\$000's)
DEF	Bartow 4	84.52	88.62	2,800	7,571	7,928	15,422
	Citrus County 1	88.99	90.18	973	6,645	6,770	4,923
	Citrus County 2	88.95	90.16	991	6,665	6,785	4,811
	Crystal River 4	84.37	91.42	1,794	10,972	11,674	4,338
	Hines 1	81.52	83.63	791	7,368	7,546	3,168
	Hines 2	88.93	89.63	256	7,624	7,800	2,426
	Hines 3	86.94	88.32	296	7,216	7,377	3,379
	Hines 4	81.42	84.50	<u>1,150</u>	7,068	7,227	<u>3,454</u>
	Totals			<u>9,050</u>			<u>41,921</u>

Source: GPIF Target and Range Summary (Exhibit MIJ-1P, Page 4 of 85).

FPL:

**Table 15-2
GPIF Targets/Ranges for the period January-December, 2023**

	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR Btu/kWh	ANOHR Btu/kWh	Savings (\$000's)
FPL	Canaveral 3	90.9	93.4	404	6,734	6,639	2,810
	Ft. Myers 2	88.4	90.9	396	7,139	7,020	6,114
	Manatee 3	84.5	87.0	519	6,935	6,680	9,852
	Martin 8	82.3	84.8	414	6,995	6,882	3,593
	Okeechobee	90.8	93.3	741	6,355	6,268	5,866
	Port Everglades 5	82.5	85.0	742	6,675	6,587	3,501
	Riviera 5	89.8	92.3	422	6,643	6,557	3,434
	St. Lucie 1	93.6	96.6	9,115	10,427	10,333	364
	St. Lucie 2	84.8	87.8	7,870	10,307	10,209	281

**Table 15-2
GPIF Targets/Ranges for the period January-December, 2023**

FPL	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR Btu/kWh	ANOHR Btu/kWh	Savings (\$000's)
	Turkey Point 3	82.8	85.8	7,635	10,522	10,363	536
	Turkey Point 4	83.2	86.2	7,822	10,807	10,424	1,271
	Turkey Point 5	85.3	87.8	450	7,225	7,127	2,714
	West County 1	82.2	85.2	665	7,058	6,894	5,685
	West County 2	87.3	89.8	612	6,867	6,782	3,797
	West County 3	73.1	75.6	<u>588</u>	6,920	6,814	<u>3,678</u>
	Totals*			<u>\$38,395</u>			<u>\$53,496</u>

Source: GPIF Target and Range Summary (Exhibit CRR-3, Pages 6-7 of 40).

*May not compute due to rounding.

TECO:

**Table 15-3
GPIF Targets/Ranges for the period January-December, 2023**

TECO	Plant/Unit	Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR Btu/kWh	ANOHR Btu/kWh	Savings (\$000's)
	Big Bend 4	61.2	66.1	1,010	10,777	11,497	4,734
	Polk 2	90.9	92.1	1,404	7,279	7,470	5,090
	Bayside 1	90.0	91.2	1,059	7,481	7,655	2,606
	Bayside 2	75.2	76.9	<u>202</u>	8,280	8,582	<u>1,743</u>
	Totals			<u>\$3,675</u>			<u>\$14,173</u>

Source: GPIF Target and Range Summary (Exhibit PAB-2, Document 1, Page 4 of 28).

FUEL FACTOR CALCULATION ISSUES

ISSUE 16: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2023 through December 2023?

Stipulation:

FPUC: \$75,491,471.

ISSUE 17: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility’s levelized fuel factor for the projection period January 2023 through December 2023?

Stipulation:

DEF: N/A – applied with the Gross Receipts Tax.

FPL: N/A – applied with the Gross Receipts Tax.

FPUC: 1.00072.

TECO: 1.00072.

ISSUE 18: What are the appropriate levelized fuel cost recovery factors for the period January 2023 through December 2023?

Stipulation:

FPUC: 8.976 cents per kWh.

ISSUE 19: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

Stipulation:

DEF:

**Table 19-1
DEF Fuel Recovery Line Loss Multipliers
for the period January-December, 2023**

Delivery Voltage Level	Line Loss Multiplier
Transmission	0.98
Distribution Primary	0.99
Distribution Secondary	1.00
Lighting Service	1.00

Source: Schedule E1-D, Exhibit GPD-3, Part 2, Page 1 of 1.

FPL: The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class are shown in Issue No. 20.

FPUC: The appropriate fuel recovery line loss multiplier to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class is 1.00000.

TECO:

**Table 19-2
TECO Fuel Recovery Line Loss Multipliers
for the period January-December, 2023**

Delivery Voltage Level	Line Loss Multiplier
Transmission	0.98
Distribution Primary	0.99
Distribution Secondary	1.00
Lighting Service	1.00

Sources: Schedule E1-D and E1-E.

ISSUE 20: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPUC: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses for the period January 2023 through December 2023, are shown in Tables 20-4, 20-5, and 20-6 below:

**Table 20-4
FPUC Fuel Cost Recovery Factors for the period January-December 2023**

Fuel Recovery Factors – By Rate Schedule		Fuel Recovery Factors – By Rate Schedule	
Rate Schedule		Levelized Adjustment (cents/kWh)	
RS			11.753
GS			11.797
GSD			11.201
GSLD			10.937
LS			9.355

Source: Schedule E1, Page 3 of 3 (Exhibit MDN-1, Page 3 of 8).

**Table 20-5
FPUC Fuel Cost Recovery Factors for the period January-December 2023**

Step Rate Allocation For Residential Customers (RS Rate Schedule)	
Rate Schedule and Allocation	Levelized Adjustment (cents/kWh)
RS Rate Schedule – Sales Allocation	11.753
RS Rate Schedule with less than or equal to 1,000 kWh/month	11.396
RS Rate Schedule with greater than 1,000 kWh/month	12.646

Source: Schedule E1, Page 3 of 3 (Exhibit MDN-3, Page 3 of 8).

**Table 20-6
FPUC Fuel Cost Recovery Factors for the period January-December 2023**

Fuel Recovery Factors for Time Of Use – By Rate Schedule		
Rate Schedule	Levelized Adjustment On Peak (cents/kWh)	Levelized Adjustment Off Peak (cents/kWh)
RS	19.796	7.496
GS	15.797	6.797
GSD	15.201	7.951
GSLD	16.937	7.937
Interruptible	9.437	10.937

Source: Schedule E1, Page 3 of 3 (Exhibit MDN-3, Page 3 of 8).

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC.

ISSUE 21A: What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF’s 2017 Settlement?

Stipulation: \$6,879,837.

ISSUE 21B: What adjustment amounts should the Commission approve to be refunded through the capacity clause associated with the Duette SoBRA III project in Docket No. 20200245-EI?

Stipulation: A credit of \$1,144,593.

ISSUE 21C: What DOE Settlement Spent Fuel Claim amount should the Commission approve to be recovered through the capacity clause?

Stipulation: \$19,328,945.

Florida Power & Light Company

No company-specific capacity cost recovery factor issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they will be numbered 22A, 22B, 22C, and so forth, as appropriate.

Gulf Power Company

Any company-specific capacity issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

Tampa Electric Company

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they will be numbered 23A, 23B, 23C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24: What are the appropriate final capacity cost recovery true-up amounts for the period January 2021 through December 2021?

Stipulation:

DEF: An over-recovery of \$2,850,425.

FPL: An under-recovery of \$303,310.

TECO: \$0.

ISSUE 25: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2022 through December 2022?

Stipulation:

DEF: An over-recovery of \$3,896,674.

FPL: An under-recovery of \$2,922,069.

TECO: An over-recovery of \$3,967,826.

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2023 through December 2023?

Stipulation:

DEF: An over-recovery of \$6,747,100.

FPL: An under-recovery of \$3,225,379.

TECO: An over-recovery of \$3,967,826.

ISSUE 27: What are the appropriate projected total capacity cost recovery amounts for the period January 2023 through December 2023?

Stipulation:

DEF: \$458,620,998.

FPL: \$245,356,422.

TECO: \$846,862.

ISSUE 28: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2023 through December 2023?

Stipulation:

DEF: \$458,753,735.

FPL: \$248,581,801, as filed.

TECO: (\$3,123,211).

ISSUE 29: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2023 through December 2023?

Stipulation:

DEF: Base: 97.403 percent, Intermediate: 92.637 percent, and Peaking: 95.110 percent.

FPL: Demand: Transmission 89.9282 percent, Base/Solar 96.0478 percent, Intermediate 95.4028 percent, Peaking 95.3285 percent, Distribution 100 percent.

Energy: Base/Solar 95.8159 percent, Intermediate 94.5063 percent, Peaking 95.7054 percent.

General Plant: Labor 96.7270 percent.

TECO: The appropriate jurisdictional separation factor is 1.00.

ISSUE 30: What are the appropriate capacity cost recovery factors for the period January 2023 through December 2023?

Stipulation:

DEF:

The appropriate capacity cost recovery factors for the period January 2023 through December 2023 is shown in Table 30-1 below:

Table 30-1
DEF Capacity Cost Recovery Factors for the period January – December 2023

Rate Class		Capacity and ISFSI Cost Recovery Factors	
		¢/kWh	\$/kW-month
Residential (RS-1, RST-1, RSL-1, RSL-2, RSS-1) At Secondary Voltage		1.328	
General Service Non-Demand (GS-1, GST-1)			
	At Secondary Voltage	1.173	
	At Primary Voltage	1.161	
	At Transmission Voltage	1.150	
General Service (GS-2)		0.822	
Lighting (LS-1)		0.341	
General Service Demand (GSD-1, GSDT-1, SS-1)			
	At Secondary Voltage		3.37
	At Primary Voltage		3.34
	At Transmission Voltage		3.30
Curtable (CS-2, CST-2, CS-3, CST-3, SS-3)			
	At Secondary Voltage		1.67
	At Primary Voltage		1.65
	At Transmission Voltage		1.64
Interruptible (IS-2, IST-2, SS-2)			
	At Secondary Voltage		2.69
	At Primary Voltage		2.66
	At Transmission Voltage		2.64
Standby Monthly (SS-1, 2, 3)			
	At Secondary Voltage		0.325
	At Primary Voltage		0.322
	At Transmission Voltage		0.319
Standby Daily (SS-1, 2, 3)			
	At Secondary Voltage		0.155
	At Primary Voltage		0.153
	At Transmission Voltage		0.152

Source: Schedule E12-E (Exhibit GPD-3, Part 3, Page 1 of 1)

FPL: If FPL's Amended Petition to Approve Refund and Rate Reduction Resulting from Implementation of Inflation Reduction Act, filed in Docket 20220165-EI, is approved, FPL's capacity cost recovery factors for January 2023 should reflect the one-time refund to customers as set forth in that Docket (Sixtieth Revised Sheet No. 8.030) and the capacity cost recovery factors for the period February 2023 through December 2023 set forth in Table 30-2.

If FPL's Amended Petition to Approve Refund and Rate Reduction Resulting from Implementation of Inflation Reduction Act, filed in Docket 20220165-EI, is

denied, FPL’s capacity cost recovery factors for the period January 2023 through December 2023 are set forth in FPL Table 30-2.

TABLE 30-2

Rate Schedule	Capacity Recovery Factor (\$/KW)	Capacity Recovery Factor (\$/kw h)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR1		0.00212		
GS1/GST1		0.00220		
GSD1/GSDT1/HLFT1/GSD1-EV	0.72			
OS2		0.00127		
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	0.80			
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.80			
GSLD3/GSLDT3/CS3/CST3	0.73			
SST1T			0.09	0.04
SST1D1/SST1D2/SST1D3			0.09	0.04
CILC D/CILC G	0.81			
CILC T	0.79			
MET	0.69			
OL1/SL1/SL1WPL1/OS1/ILT1		0.00016		
SL2/SL2WGSCU1		0.00137		
(Deaton)				

TECO: The appropriate capacity cost recovery factors for the period January 2023 through December 2023 is shown in Table 30-3 below:

Table 30-3
TECO Capacity Cost Recovery Factors for the period January-December, 2023

Rate Class and Metering Voltage	2023 Capacity Cost Recovery Factors	
	\$/kWh	\$/kW
RS	(0.00018)	-
GS and CS	(0.00017)	
GSD, RSD		
Secondary		(0.06)
Primary	-	(0.06)
Transmission		(0.06)
GSD Optional		
Secondary	(0.00014)	-
Primary	(0.00014)	
Transmission	(0.00014)	
GSLDPR/GSLDTPR/SBLDPR/SBLDTPR		(0.05)
GSLDSU/GSLDTSU/SBLDSU/SBLDTSU	-	(0.04)
LS-1	(0.00003)	-

Source: Exhibit MAS-3, Document Number 1, Page 3 of 4.

III. EFFECTIVE DATE

ISSUE 31: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

Stipulation: The new factors should be effective with the first billing cycle for January 2023 through the last billing cycle for December 2023. The first billing cycle may start before January 1, 2023, and the last cycle may be read after December 31, 2023, so that each customer is billed for twelve months regardless of when the recovery factors became effective. The new factors shall continue in effect until modified by the Commission.

ISSUE 32: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

Stipulation: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be reasonable in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission decision.

ISSUE 33: Should this docket be closed

Stipulation: No, this is a continuing docket and should remain open.